

U Mobile Recognized as the

2021

Company of the Year

Malaysia Mobile Service Industry

Excellence in Best Practices



mobile

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. U Mobile excels in many of the criteria in the mobile service market.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Financial Performance

The Malaysian mobile service market experienced a considerable decline in mobile service revenue growth in 2020 due to the impact of COVID-19. However, in an environment where most competitors struggled, U Mobile has maintained its growth momentum, avoiding a decline in business performance in 2020. The company has maintained its subscriber base of approximately 7.5 million and has shown consistent growth in mobile service revenue for the past few years, a strong indicator of U Mobile’s strength and leadership in Malaysia’s mobile service market.

Best Practices Implementation

A continual focus on product and service innovation is key to U Mobile’s steady growth during the past several years. In particular, the company’s emphasis on consumer and enterprise digital services is the key reason for its impressive performance in 2020. In the consumer segment, U Mobile’s standalone universal eWallet is known as GoPayz. Majlis Agama Islam dan Adat Melayu Perak (MAIPK), a local organization, launched a Muslim-friendly GoPayz called the MAIPK Visa prepaid Ta’awun card. The product provides customers with easily accessible digital financial and lifestyle services. Ultimately, it improves the customer experience by enabling Muslim customers to conduct services through a variety of accessible digital channels, either via GoPayz’s website and application or any MAIPK payment terminal or kiosk. In 2020, U Mobile partnered with Waze, a navigation platform, to enable connectivity and uninterrupted navigation in areas that lack GPS signal reception.

The resulting innovation enabled U Mobile to be the first service provider in Malaysia to power the Waze application in the country's Kuala Lumpur-based SMART Tunnel, thus improving the customer experience. By developing customer-centric solutions that deliver real, tangible value to its subscriber base, U Mobile continues to raise the bar in the Malaysian mobile service market.

Addressing Unmet Needs

“Addressing the niche needs of underserved markets and repeatedly creating new ways to cater to different market segments contribute to U Mobile’s status as Malaysia’s best mobile service provider.”

*- Sofea Zukarnain,
Research Associate , ICT*

There is a need to make business financing accessible to small to medium-sized enterprises (SMEs) in Malaysia. Given the impact of COVID-19, many businesses are finding it hard to secure a traditional bank loan. Malaysia has a large number of SMEs, comprising 98.5%¹ of business establishments in the country. While the segment plays an important role in Malaysia's economy, SMEs are underserved by traditional financial institutions and lack access to working capital and

financing solutions. U Mobile, in partnership with Funding Societies, a peer-to-peer (P2P) financing platform, has launched P2P financing solutions for Malaysian SMEs. The solution will be offered to customers through GoBiz, U Mobile's digital payment acceptance solution, ensuring a seamless and convenient process. The solution's benefits include faster status updates and the ability to apply for loans without documents proving income. Moreover, it does not require collateral or a retention sum.

Unlike competitors, U Mobile addresses the niche needs of underserved markets and repeatedly creates new ways to cater to different market segments, contributing to the company's status as Malaysia's best mobile service provider.

Customer Service Experience

In a highly competitive market, optimizing the customer service experience is crucial to maintain market share. Moreover, COVID-19 is accelerating remote work, increasing the demand for connectivity. To ensure consumers are satisfied with its service, U Mobile proactively invested in network upgrades in 2020. Despite movement restrictions due to the COVID-19 pandemic, U Mobile increased the number of network sites it has in the country by 576, for a total of 7,400 network sites. As a result, the company can offer nationwide coverage. In addition to improving its 4G network, U Mobile made strong progress in preparing its network to implement 5G technology readily. For example, U Mobile launched its “Fast Forward with U Mobile 5G Live Trials” initiative in 2020, enabling customers to experience a 5G network. While 5G networks have yet to be commercially rolled out in Malaysia, unlike competitors, U Mobile's SIMs are 5G-ready, allowing customers to enjoy the network in the future.

In 2020, U Mobile collaborated with Starhub, a Singapore-based service provider, to conduct a trial of multi-party roaming video conference calls over 5G standalone technologies. The successful initiative is first of its kind in Malaysia, and another significant industry milestone and differentiator for U Mobile. Such technology will provide customers in the future with a clear and lag-free communication and

¹ <https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-statistics>

entertainment experience. U Mobile's effort to upgrade its network and offer superior value demonstrates its continued commitment to prioritizing customers' evolving needs.

Customer Purchase Experience

U Mobile recognizes that its customers are being affected by the COVID-19 pandemic and is dedicated to providing users with affordable access to services. In 2020, U Mobile launched several promotions to provide additional value to its customers. One notable campaign launched in collaboration with Chubb Insurance Malaysia Berhad is Golnsure 3, a personal accident insurance product. It is offered free to eligible subscribers who are Malaysian or permanent residents, with total benefits valued at RM13,000. The offering is provided through accidental disability benefit and bereavement expense insurance, which covers death due to COVID-19.

"Despite movement restrictions due to the COVID-19 pandemic, U Mobile still managed to increase the number of network sites it has in Malaysia. In 2020, the company increased the number of sites it has in the country by 576, for a total of 7,400 network sites."

*- Sofea Zukarnain,
Research Associate, ICT*

Such an initiative is notable in that it one of the first-of-its-kind to be offered in Malaysia. The differentiated solution is uniquely offered by U Mobile and is highly relevant given the unforeseen circumstances with COVID-19 and customers demanding additional insurance coverage. Such differentiated value-added customer care allows U Mobile to attract new customers and retain existing ones while increasing its brand loyalty.

Brand Equity

Independent, third-party tests attest to U Mobile's superior network performance. For example, Opensignal's Malaysia Mobile Network Experience Report (September 2020), found that U Mobile recorded a 6.6 megabits per second (Mbps) upload speed and a 10.1 Mbps download speed². In 2020, most service providers experienced increased network traffic, significantly impacting upload and download speeds. Despite the resulting constraint on the network, U Mobile's network speeds increased. According to Opensignal's report, U Mobile increased its download speed by 2.7 Mbps and upload speed by 0.5 Mbps. The ability to increase network speeds and provide a consistent network experience showcases U Mobile's successful network expansion efforts.

Conclusion

In Malaysia, the COVID-19 pandemic has put pressure on mobile service providers, impacting revenue and subscriber growth. Despite the challenges, U Mobile is leveraging service innovation to serve consumers' evolving digital and connectivity needs, allowing it to maintain revenue while gaining subscribers. Alongside its successful growth strategy, the company's strong dedication to network upgrades, such as 5G network development, and continuous effort to develop customer-centric solutions set it apart. Overall, U Mobile is setting a new standard of what is possible in the Malaysian mobile service market.

For its strong overall performance, U Mobile earns Frost & Sullivan's 2021 Company of the Year award in the Malaysian mobile service industry.

² <https://www.opensignal.com/reports/2020/09/malaysia/mobile-network-experience>

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. [Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

